

Ready to Sign that Lease Agreement?

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Explores the advantages of signing a lease agreement.

Content:

The real estate market is booming across the United States, especially in select areas of California as well as Las Vegas. Even the sleepy town of Boise, Idaho is experiencing record breaking primary residential development. Where ever you happen to live, you have probably noticed itâ€™s not so easy to get into that coveted house you have always dreamed of, despite the favorable mortgage rates. So what should you do?

Lessons Learned from the Past

With such uncertainty around the real estate market, perhaps it is best to stay away from owning your own property. Many so called experts predict the housing market in the US has finally reach bubble status, and expect that bubble to burst in the near future. They may have submitted their predictions a bit early, but their advice should be considered. If we learned anything from the stock market bubble and subsequent crash of 2000, we realized frequently a conservative approach to investing serves us well when uncertainty surrounds the market.

Protect yourself and consider the advantages of renting or leasing versus buying your own home. A renter assumes far less risk by signing his/her name to a lease agreement than when closing on a house. Typically a rental agreement locks you into a contract for a short period of time, relatively speaking, during which the rental rate is locked as well. Such a contract can protect you from the downswings of the real estate market, especially the volatility frequently demonstrated by adjustable rate mortgages. Granted, as a renter you don't stand to gain any equity in the house should the market turn up. However, you also don't expose yourself to the violent downswings in housing values wrought by an oversaturated market. Should you buy a house now and a year later need to move to pursue a new job opportunity, what happens when you realize those inflated prices you paid for your house are not so inflated anymore, and suddenly you owe more on your house than it is worth? That is called negative equity, and instinctively you realize no good can come of such a situation. Hence renting offers flexibility, both financially and physically speaking.

Avoiding the Headaches of Ownership

By agreeing only to rent the dwelling, you manage to avoid many of the disadvantages associated with owning a house. Normally the landlord is responsible for general maintenance of the flat. Many home owners are quick to offer their stories of frustration, disappointment, and even anger when things go wrong in the house. Pipes burst, flooding occurs, air conditioning units break during the scorching summer days of July, and heating systems fail in the dead of winter. All these things can and will happen, setting homeowners back considerably. Thus, as a renter you can avoid many of the major financial investments owners must make to maintain the comfort and livability provided by a dwelling. Agreeing to a lease agreement helps mitigate the risks of living in a home or apartment.

Weighing your Options

A rental or lease agreement can offer many advantages to those of you looking for a place to live. Ultimately, each individual must decide what is right for them. Some are more than willing to bear the risk inherent to the housing market because they have a strong positive cash flow and are in a position to endure the twists and turns of the market.

Don't be afraid to weigh your options and consider the risks of owning versus renting. For many, playing the game conservatively and waiting for housing prices to come back down to Earth will prove to be a successful strategy. There is no shame in signing that lease agreement, living in an apartment for a year or two before moving on to that house you have wanted so badly.

Adam Smith is a client account specialist with <http://www.10xMarketing.com> "More Visitors. More Buyers. More Revenue. For more information about lease agreements,

including real estate advice and strategies, please visit <http://www.oneminutemillionaire.com/affiliate/glossary/lease-agreement.asp>

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